21 July 1986 OCA 86-2423

NOTE FOR:	The Director The Deputy Director	
FROM:	Dave Gries	STAT STAT
SUBJECT:	Undistributed Cuts to DoD Budget by SASC	
The si	tuation is still fluid but could gel soon.	
As s Hall,	hown on the attached spreadsheet prepared by Keith undistributed cuts assigned to NFIP	STAT
indicated moneyto arrangement In addition	aro (Minority Staff Director, Armed Services). Punaro that the staff will try to find some of the needed cut the burden on the NFIPin alternative financing ts in DoD (such as cuts in money to cover inflation). n, Arnold will try to undo the damage with fencing tating that "it is the intent of" Armed Services to	STAT
exclude NF the attitu call us if	IP in any undistributed cuts. According to Arnold, de of Senators Cohen and Nunn is critical; he will he wants us to weigh in with themindeed, we may so in any case.	
		STAT
Defense Su his determ presented allocate a	positive side, we have heard from Appropriations becommittee staff that Senator Stevens is still firm in ination not to cut NFIP below the authorizing number to the Subcommittee by the Senate. He is prepared to ny unallocated reductions that could impact on the ecific programs in the budget mark up.	

We will get back to you tomorrow with a progress report.

Attachment

**STAT** 

